

HOUSE BILL NO. 719

INTRODUCED BY D. GALLIK

A BILL FOR AN ACT ENTITLED: "AN ACT PROHIBITING AN AUTOMOBILE LIABILITY INSURER FROM VARYING BY INSURANCE CONTRACT THE APPLICATION OF THE STATUTE GOVERNING "STACKING" OF INSURANCE COVERAGES; REQUIRING THAT THE NUMBER OF INSURED MOTOR VEHICLES BE CONSIDERED WHEN DETERMINING THE INSURANCE COVERAGE AVAILABLE; REVISING LIMITATIONS ON COVERAGE; AMENDING SECTION 33-23-203, MCA; AND PROVIDING AN APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 33-23-203, MCA, is amended to read:

"33-23-203. Limitation of liability under motor vehicle liability policy. (1) ~~Unless a motor vehicle liability policy specifically provides otherwise, the~~ The limits of motor vehicle insurance coverage available under each part of the policy must be determined as follows, regardless of commensurate with the number of motor vehicles insured under the policy, the number of policies issued by the same company covering the insured, ~~or~~ and the number of separate premiums paid:

(a) ~~the limits of insurance coverages available for any one accident are the limits specified for each coverage available if the same insurer provides an insured with motor vehicle liability insurance for bodily injury, death, or property damage for two or more vehicles, the liability limit applicable to any one accident is the limit specified under the policy insuring the motor vehicle involved in the accident;~~

(b) ~~if the motor vehicle involved in the accident is not insured under a policy, the limits of the insurance coverages available for any one accident are the highest limits of the coverages specified under one policy for one motor vehicle insured under that policy; and~~

~~(c)(b)~~ the limits of the coverages other than liability insurance coverages for bodily injury, death, or property damage specified under one policy or under more than one policy issued by the same company may not be added together to determine the limits of insurance coverages available under the policy or policies for any one accident;

(c) if an insurer provides an insured medical pay, uninsured motorist, or underinsured motorist coverage for two or more vehicles under one or more than one policy and charges a separate premium for each vehicle

1 insured for one or more of those coverages, the limits of the coverage for each vehicle may be added together
2 to determine the limits of insurance coverage available under the policy or policies for any one accident.

3 (2) A motor vehicle liability policy may also provide for ~~other~~ reasonable limitations, exclusions,
4 reductions of coverage, or subrogation clauses that are designed to prevent duplicate payments for the same
5 element of loss under the motor vehicle liability insurance policy ~~or under another casualty policy that provides~~
6 ~~coverage for an injury that necessitates damages or benefit payments or to prevent the adding together of~~
7 ~~insurance coverage limits in one policy or from more than one policy issued by the same company.~~

8 (3) An insurer that charges a premium for a specified coverage shall clearly inform or notify the insured
9 in writing of the limits of the coverage ~~with respect to the premium charged and whether the coverage from one~~
10 ~~policy or motor vehicle may be added to the coverage of another policy or motor vehicle.~~

11 (4) Nothing in this section is intended to create coverage for a motor vehicle that would otherwise be
12 uninsured."

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14 NEW SECTION. Section 2. Saving clause. [This act] does not affect rights and duties that matured,
15 penalties that were incurred, or proceedings that were begun before [the effective date of this act].

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17 NEW SECTION. Section 3. Applicability. [This act] applies to policies of insurance written, renewed,
18 or issued for delivery on or after October 1, 2005.

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